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RUEHRL/AMEMBASSY BERLIN 1820
RUEHIL/AMEMBASSY ISLAMABAD 1953
RUEHBUL/AMEMBASSY KABUL 1915
RUEHLO/AMEMBASSY LONDON 1767
RUEHNE/AMEMBASSY NEW DELHI 1944
RUEHVEN/USMISSION USOSCE 1868
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C O N F I D E N T I A L SECTION 01 OF 03 DUSHANBE 002229

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SUBJECT: AMBASSADOR'S FIRST MEETING WITH NEW TAJIK FOREIGN MINISTER

CLASSIFIED BY: Tracey Jacobson, Ambassador, U.S. Embassy
Dushanbe, STATE.
REASON: 1.4 (b), (d)

¶1. (C) Summary: The Ambassador met December 20 with Hamrakhon Zaripov in his new capacity as Tajikistan's Foreign Minister. Zaripov agreed to "coordinate with relevant ministries and the president" on responses to the Ambassador's requests for forward movement on registration and visas for National Democratic Institute (NDI) staff and registration of U.S.-funded community radio stations. When the Ambassador raised the need to improve Tajikistan's business climate, Zaripov called for more U.S. investment in hydropower, used China as an example of how investment should flow into Tajikistan, and railed against U.S. company Gerald Metals whom he said avoided official channels and did business with criminal elements. Zaripov promised help in establishing an American Chamber of Commerce, getting a meeting with Security Minister Abdurahimov, and moving along the Boulder Cyber Cafe project. He seconded the Ambassador's enthusiasm for establishing a Peace Corps program here. In a surprise move, he pitched Tajikistan becoming a Millennium Challenge recipient - a subject in which the previous foreign minister and government appeared to have little interest. End Summary

¶2. (C) The new Foreign Minister agreed to meet the Ambassador first thing in the morning on December 20, a day before the Ambassador is scheduled to depart for the holidays. The Embassy had requested the meeting as soon as we learned of the appointment of the former Ambassador to the United States as the new Foreign Minister. The Tajik Parliament only confirmed the new Cabinet appointments on December 16, and the Foreign Minister did not want to appear overly eager to meet with us until the formalities were concluded. Zaripov noted that already the Russian press has been playing up his American connections. He has just passed to President Rahmonov a collection of 70 recent articles from the Russian internet on this theme.

OLD ANSWERS TO OLD PROBLEMS

¶3. (C) NDI: The Ambassador raised the issue of registration of the National Democratic Institute (NDI) and obtaining visitor

visas for NDI board members Sam Gejdensen and Laura Jewett, and obtaining a work-authorization visa for NDI's newly identified American citizen director for Dushanbe. NDI had followed the Ministry's advice and waited to push on the registration and visa issues until after the election and inauguration of the new government, but is eager to move ahead. Zaripov said while he was fully briefed on the NDI issues as Ambassador to the United States, in his new capacity as Foreign Minister he would have to consult with other government ministries before providing a response. He promised to get us a reply in approximately one week.

14. (C) Internews: In the context of free press, the Ambassador raised the stalled registration and licensing of six community radio stations developed by U.S.-funded NGO Internews. Zaripov acknowledged the need in theory to expand independent media, but he viewed that as a luxury for Tajikistan. "How can journalists worry about reporting when they have no heat or electricity?" The same principle applies to political parties, NGOs and others, he insisted. He described his recent visit to his home village to see his mother who has had no electricity or heat for weeks. Like other residents of rural Tajikistan, she is forced to burn garbage to heat a single room. "Tajikistan's first priority must be to develop its hydroelectric resources. This will help journalists, NGOs and everyone else." Note: Our question about Internews probably caught Zaripov off guard, and in future meetings we hope to walk back his attitude about dealing with media and democracy issues only AFTER economic development has taken place.

BUSINESS CLIMATE

15. (C) The Ambassador took advantage of Zaripov's abrupt change of subject, including his pitch to the United States to fund construction of the mega-hydroelectric station at Dasti-zhum, to

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raise the issue of business environment. American businesses need confidence that contracts will be honored and that profits can be made before they will invest in business in Tajikistan. The unresolved case of Gerald Metals which lost over \$20 million in a deal with Tajikistan's TadAZ aluminum factory will scare away potential investors. An energy company such as AES will need to see whether it can make a profit from a smaller investment, such as the proposed transmission line to Afghanistan, before it would participate in a large commercial consortium to build Dasti-zhum. Unlike the Chinese government, the U.S. government cannot instruct U.S. firms where to invest; Tajikistan will have to attract investments by ensuring a suitable business climate.

16. (C) Gerald Metals: Zaripov became agitated at the mention of Gerald Metals, and recounted his version of the deal gone bad. Gerald Metals had refused then Ambassador Zaripov's advice to work through official GOTT channels and instead struck a deal directly with the then-director of TadAZ who is now known to be a criminal. Gerald Metals is paying the price for being greedy and hoping to get windfall profits, three times the norm, at Tajikistan's expense. Zaripov offered some Soviet-era advice that all U.S. companies should get the blessings of both the Tajik Embassy in Washington and the American Embassy in Dushanbe before launching business dealings here. As a counterexample to Gerald Metals, he pointed to the huge investments by the Chinese, all brokered through official channels. Zaripov mentioned that a deal was almost struck with Gerald Metals in May, whereby Gerald would make future purchases of aluminum at a slight discount, eventually recouping its original \$20 million down payment to TadAZ. Zaripov said that both parties were happy with the deal, but a World Bank advisor deemed the discount mechanism violated anti-corruption principles (Zaripov used the Russian word "doping"), and derailed the deal.

17. (C) AmCham: Zaripov promised his assistance in convincing officials at the Tajik Chamber of Commerce that a newly established American Chamber would not compete with the state-run body. The Embassy is sponsoring the Eurasia

Foundation Central Asia's efforts to get an AmCham up and running. Zaripov would like to see more American businesses coming directly to Tajikistan rather than working through middlemen. As an example he noted most Tajik aluminum reaches the United States via Holland. (Note: He seemed to forget we just finished discussing Gerald Metals - the one U.S. firm which tried to make a direct deal with Tajikistan.)

FORWARD MARCH

18. (C) Peace Corps: The Ambassador did not have a hard sell with Zaripov when it came to the benefits of establishing a Peace Corps program in Tajikistan. He understood the enormous benefits of English language training and immediately offered to generate a new formal expression of interest on behalf of the Government of Tajikistan to update the letter sent by President Rahmonov four years ago.

19. (C) Boulder Cyber Cafe: Zaripov was familiar with the long saga concerning the city of Boulder's efforts to build a state-of-the-art cyber cafe in Dushanbe. The project is part of the sister city relationship between Boulder and Dushanbe. (Dushanbe has already bequeathed Boulder with a Tajik Tea House.) After he recounted the long delays - many of them caused by the City of Boulder, according to Zaripov - he promised to help move things along with the Dushanbe city government.

110. (C) Millennium Challenge: At the end of the meeting, Zaripov surprised us with an issue of his own. He would like to see Tajikistan fully qualify for Millennium Challenge assistance. Zaripov said he understands there will be challenges along the way, but feels the time is right, given the demonstrated "success of the recent election process." Zaripov's overly positive characterization of the November 6 presidential election is based on his experience in Washington where his embassy oversaw the polling place for resident Tajik citizens. He boasted that in the United States, President Rahmonov received more than 90% of the votes cast (44 Tajiks voted) - significantly more than in Tajikistan itself. He

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pointed out that the Washington polling station met the highest international standards, and there were no restrictions on press or information in the United States. Zaripov is no doubt aware the OSCE and other international observers did not give the Tajik election such high remarks, but he seems committed to using the election as a platform to help move his country forward. The Embassy will encourage Zaripov's interest by briefing his MFA staff in detail on Tajikistan's Millennium Challenge scorecard and examining next steps.

COMMENT

111. (C) Several of Zaripov's responses struck us as "old school": his advice that all business proceed through government-to-government channels, his stance that development of independent radio stations should take a back seat to hydropower development, and his blind faith that if the USG simply decided to build Dasti-zhum, regional peace and prosperity would follow. However, he promised to help on a number of fronts. Although he gave no assurances, Zaripov's offer to coordinate a government-cleared response on NDI is at least more straight forward than his predecessor's standard reply: "That's a decision for the government, not for the Foreign Ministry." And importantly, Zaripov is the first Tajik official who has ever expressed interest in pursuing Millennium Challenge status. The Embassy will pursue Zaripov's interest by re-reviewing Tajikistan's Millennium Challenge scorecard with staff at the ministry and helping the MFA craft a full program of reforms which could lead to eventual membership. It will be a longer road than Zaripov probably expects, but one worth pursuing. Zaripov was generally receptive to the Ambassador's message that with the start of a new presidential term and formation of a new government, Tajikistan has an opportunity to demonstrate to Washington and the world which way the country is

headed. Washington will be looking for signals. For example, will Tajikistan accept or reject the proposed NGO law, which falls short of international standards? Will the government register NDI? The Tajik government's actions will help determine the approach Washington takes on such issues as the Millennium Challenge program.

JACOBSON